

According to Act V of 2013 on the Civil Code of Hungary (“**Civil Code**”), for the purpose of providing prior information to its shareholders, the Board of Directors of **ALTEO Energiaszolgáltató Nyilvánosan Működő Részvénytársaság** (registered office: H-1131 Budapest, Babér u. 1-5; company registration number: 01-10-045985; “**the Company**”) hereby publishes its

proposals for resolution

for the ordinary General Meeting to be held on 26 April 2019, and

the aggregated share and voting right figures.

The Board of Directors proposes the following agenda:

1. Decision on the acceptance of the Company’s stand-alone Hungarian statutory financial statements (prepared in accordance with IFRSs), the business (annual) report and the report of the Board of Directors prepared for the 2019 business year.
2. Decision on the acceptance of the Company’s consolidated financial statements prepared in accordance with IFRSs, the business (annual) report and the report of the Board of Directors prepared for the 2019 business year.
3. Decision on the acceptance of the corporate governance report prepared by the Board of Directors for submission to the Budapest Stock Exchange;
4. Decision on the use of the 2019 profit after taxation;
5. Decision on the discharge that can be granted to the Directors of the Company;
6. In view of the expiry of the current members’ mandate, election of the members of the Supervisory Board;
7. In view of the expiry of the current members’ mandate, election of the members of the Audit Committee;
8. In view of the expiry of the current members’ mandate, election of the members of the Board of Directors.
9. Appointment of an auditor to audit the 2020 business year of the Company, establishment of the auditor’s fee and the conditions of the engagement;
10. Advisory vote on the acceptance of the Company’s remuneration policy;
11. Presentation of the Board of Directors on the transactions entered into by the Company for its own shares;
12. Extension of the authorization of the Board of Directors to buy the Company’s own shares, expiring on October 26, 2020;
13. Amendment of the Company’s Articles of Association with regard to the above resolutions and legislative changes.

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I. Proposals for resolution:

On agenda item 1

Decision on the acceptance of the Company’s stand-alone Hungarian statutory financial statements (prepared in accordance with IFRSs), the business (annual) report and the report of the Board of Directors prepared for the 2019 business year.

Concurrently with this proposal, the Board of Directors publishes the statement of financial position for the Company’s business year ending on December 31, 2019, along with its stand-alone financial statements and business (annual) report prepared in line with the provisions of the Accounting Act applicable to entities preparing their annual report according to the EU IFRSs and the report of the Board of Directors as well as the related reports of the auditor, the Supervisory Board and the Audit Committee.

Proposal for resolution 1:

The Board of Directors proposes to the General Meeting to accept the statement of financial position, proposed for acceptance by the Company's auditor, for the Company's business year ending on December 31, 2019, along with the stand-alone financial statements (comprehensive income: HUF 174,563 thousand and total assets: HUF 25,009,821 thousand) and business (annual) report prepared in line with the provisions of the Accounting Act applicable to entities preparing their annual report according to the EU IFRSs and the report of the Board of Directors as well as the relevant written reports of the auditor, the Audit Committee and the Supervisory Board.

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On agenda item 2:

Decision on the acceptance of the Company's consolidated financial statements prepared in accordance with IFRSs, the business (annual) report and the report of the Board of Directors prepared for the 2019 business year.

Concurrently with this proposal, the Board of Directors publishes the Company's consolidated financial statements and business (annual) report for the 2019 financial year, prepared according to the IFRSs, along with the report of the Board of Directors and the related reports of the auditor, the Supervisory Board and the Audit Committee.

Proposal for resolution 2:

The Board of Directors proposes to the General Meeting to accept the statement of financial position, proposed for acceptance by the Company's auditor, for the Company's business year ending on December 31, 2019, along with its consolidated financial statements (comprehensive loss: HUF 1,142,019 thousand and total assets: HUF 37,631,281 thousand) and business (annual) report prepared in accordance with the IFRSs, the report of the Board of Directors as well as the relevant written reports of the auditor, the Audit Committee and the Supervisory Board.

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On agenda item 3:

Decision on the acceptance of the corporate governance report prepared by the Board of Directors for submission to the Budapest Stock Exchange.

Based on the recommendations of the Budapest Stock Exchange Ltd., the Board of Directors has prepared, and publishes concurrently with this proposal, the Company's corporate governance report, which the Company's Supervisory Board proposes to accept.

Proposal for resolution 3:

Based on the above, the Board of Directors proposes to the General Meeting to approve the corporate governance report on the Company's operation in 2019 submitted by the Board of Directors.

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On agenda item 4:
Decision on the use of the 2019 profit after taxation.

Proposal for resolution 4

The Board of Directors proposes to the General Meeting not to pay dividends from the Company's available retained earnings, in order to alleviate the potential economic effects of the epidemic related to the COVID-19 virus.

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On agenda item 5
Decision on the discharge that can be granted to the Directors of the Company.

Proposal for resolution 5

The Board of Directors proposes to the General Meeting to establish that in the 2019 business year, the Board of Directors performed its activities focusing on the interests of the Company, and therefore, based on Article 12.2(s) of the Articles of Association, the General Meeting should grant the Board of Directors the discharge mentioned in Section 3:117(1) of the Civil Code, according to the conditions included in that Section.

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On agenda item 6:
In view of the expiry of the current members' mandate, election of the members of the Supervisory Board.

The Board of Directors motions that the General Meeting extend the mandate of the current members of the Company's Supervisory Board, with the exception of Mr. Noah M. Steinberg, i.e. Mr. István Bakács, dr. István Borbíró, Mr. Péter Jancsó and Dr. János Lukács and elect Mr. Attila Sütő as the delegate of ALTEO Nyrt.'s Works Council to the Supervisory Board from April 30, 2020 until April 30, 2025. The aforementioned gentlemen have formerly indicated that, if elected, they will accept the mandate and no reasons for disqualification have been identified in their regard.

Attila Sütő graduated as a BSc from the Chemical Industry Automation College of the Technical University of Heavy Industries, after which he earned another degree as a Maintenance Planning Production Engineer at the Dunaújváros Faculty of Western Hungary University and currently he is a graduate student at the Technical University of Budapest. He began his professional career at the legal predecessor of MOL Nyrt. where he had worked for 18 years of which five years in Ukraine. He joined the Company on May 1, 2015 as an HSE engineer. Mr. Sütő was elected to ALTEO Nyrt.'s Works Council during the 2019 elections where he was elected chairman and now, making use of the legal option, the Works Council nominated him to the Company's Supervisory Board.

Mr. Attila Sütő is the employees' delegate nominated by ALTEO's Works Council; accordingly, pursuant to Section 3:125 of the Civil Code, the General Meeting is obliged to elect him as a member of the Supervisory Board at its first meeting following the nomination.

In view of the fact that the other nominees to the Supervisory Board have held this position so far and their introductions are available at the Company's website, the Board of Directors dispenses with the detailed presentation of their experience and qualifications.

Proposal for resolution 6:

The Board of Directors proposes to the General Meeting to re-elect the current members of the Company's Supervisory Board, with the exception of Mr. Noah M. Steinberg, i.e. Mr. István Bakács, dr. István Borbíró, Mr. Péter Jancsó and Dr. János Lukács and to elect Mr. Attila Sütő as the delegate of ALTEO Nyrt.'s Works Council to the Supervisory Board from April 30, 2020 until April 30, 2025 and to elect Mr. István Bakács as the chairman of the Supervisory Board.

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On agenda item 7

In view of the expiry of the current members' mandate, election of the members of the Audit Committee.

The Board of Directors motions that the General Meeting re-elect the members of the Company's Supervisory Board, namely Mr. István Bakács, dr. István Borbíró and Dr. János Lukács, as members of the Audit Committee from April 30, 2020 until April 30, 2025. The aforementioned gentlemen have formerly indicated that, if elected, they will accept the mandate.

Proposal for resolution 7:

The Board of Directors proposes to the General Meeting to re-elect the members of the Audit Committee, namely Mr. István Bakács, dr. István Borbíró and Dr. János Lukács from April 30, 2020 until April 30, 2025 and to elect dr. István Bakács as the chairman of the Audit Committee.

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On agenda item 8

In view of the expiry of the current members' mandate, election of the members of the Board of Directors.

The members of the Company's Board of Directors, namely Mr. Gyula Mező, Mr. Attila Chikán, Mr. Zsolt Müllner, Mr. Ferenc Karvalits and Mr. Domonkos Kovács have declared that, if elected by the General Meeting, they will accept the mandate to act as members of the Company's Board of Directors with the same personnel from April 30, 2020 until April 30, 2025. No reasons for disqualification related to the acceptance of their mandate have been identified in their regard.

In view of the fact that the nominees to the Board of Directors have held this position so far and their introductions are available at the Company's website, the Board of Directors dispenses with the detailed presentation of their experience and qualifications.

Proposal for resolution 8:

The members of the Company's Board of Directors declare that, if elected by the General Meeting, they will accept the mandate to act as members of the Company's Board of Directors from April 30, 2020 until April 30, 2025 with the same personnel and for the same remuneration, i.e. HUF 300,000 gross/month for the chairman of the Board of Directors and HUF 250,000 gross/month for all other members. Consequently, the Board of Directors proposes to the General Meeting to re-elect the incumbent members of the Board of Directors subject to the conditions mentioned above.

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On agenda item 9**Appointment of an auditor to audit the 2020 business year of the Company, establishment of the auditor's fee and the conditions of the engagement.**

The Board of Directors proposes the discussion of this agenda item at the General Meeting after hearing the recommendation of the Audit Committee.

Based on the assessment of their bids and an interview with the candidates, the Audit Committee has found the bids of the following two auditors to be acceptable, of which the General Meeting shall choose one:

- i. Deloitte Könyvvizsgáló és Tanácsadó Korlátolt Felelősségű Társaság (registered office: 1068 Budapest, Dózsa György út 84/C., company registration number: 01-09-071057, registration number with the Chamber of Hungarian Auditors: 000083; the auditor personally responsible for the audit: Dr. Attila Hruba (mother's name: Katalin Szerdahelyi, address: 1174 Budapest, Ósrepülő utca 21. Fsz. 2., registration number with the Chamber of Hungarian Auditors: 007118 – audit fee for three years: HUF 46,050,000 + VAT);
- ii. BDO Magyarország Könyvvizsgáló Korlátolt Felelősségű Társaság (registered office: 1103 Budapest, Kőér utca 2/A. C. ép., company registration number: 01-09-867785, registration number with the Chamber of Hungarian auditors: 002387 – audit fee for three years: HUF 33,450,000 + VAT).

The Audit Committee recommended to the General Meeting to elect BDO Magyarország Könyvvizsgáló Kft. as the Company's permanent auditor for the business year commencing on April 17, 2020 and ending on the earlier of the day of adoption of the General Meeting resolution on the approval of the financial statements for the business year ending December 31, 2022 or May 31, 2023. The Audit Committee proposes the appointment of Mr. Péter Krisztián Kékesi (mother's name: Piroska Gelics; address: 1133 Budapest, Pannónia utca 70. 7. em. 9.; registration number with the Chamber of Hungarian Auditors: 007128) as the auditor personally responsible for the Company's audit. The Audit Committee proposes a total audit fee of HUF 33,450,000 + VAT for the three years in question.

Proposal for resolution 9:

The Board of Directors proposes to the General Meeting to appoint BDO Magyarország Könyvvizsgáló Kft. and Mr. Péter Krisztián Kékesi as the permanent auditor of the Company, as suggested in the proposal, for a fee of HUF 33,450,000 + VAT and for the fixed period specified in the proposal as well as to authorize the CEO to make a decision on the other conditions of the engagement and to enter into a contract for professional services with the auditor.

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On agenda item 10**Advisory vote on the acceptance of the Company's remuneration policy.**

The Board of Directors has prepared, and publishes concurrently with this proposal, the Company's remuneration policy, which the Company's Supervisory Board proposes to accept.

Proposal for resolution 10:

Based on the above, the Board of Directors proposes to the General Meeting to approve the Company's remuneration policy as submitted by the Board of Directors.

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On agenda item 11**Presentation of the Board of Directors on the transactions entered into by the Company for its own shares.**

The Company launched an employee share award program, the details of which can be read in the Company's announcement published on the Company's official disclosure media on June 15, 2018. In order to acquire the shares providing the coverage for this share award program, the Company announced a share repurchase program for 2018 (hereinafter: "**Program**"), the details of which are also available in the above-mentioned announcement. The Board of Directors of the Company extended the Program until March 14, 2019. Until March 14, 2019, the Company acquired a total of 14,818 ALTEO ordinary shares under the Program, for which it paid a total amount of HUF 10,053,840 (that is, ten million fifty-three thousand eight hundred forty forints). The ALTEO ordinary shares acquired in the Program account for 0.09% of the share capital. Based on the authorization of the Board of Directors of the Company, in December 2018 and 2019, the CEO selected the employees to be rewarded by the Company in the employee share award program. As a result, in January and February 2019, the Company distributed a total of 13,298 ALTEO ordinary shares and in January 2020 a further 1,878 ALTEO ordinary shares to the employees who became eligible based on the Company's recognition plan and the CEO's decision.

On June 12, 2019, ALTEO's Employee Share Ownership Plan Organization (hereinafter: "**ALTEO ESOP Organization**"), described in the Company's communication dated March 14, 2017, exercised its option right in accordance with the terms and conditions of its Remuneration Policy published on the same day in respect of 21,500 pcs of ALTEO ordinary shares (ISIN: HU0000155726) at a purchase price per share of HUF 475.

The Company currently owns a total of 748,546 ALTEO ordinary shares, which will be used for implementing the remuneration policy of the ALTEO ESOP Organization, approved by the General Meeting.

Proposal for resolution 11:

The Board of Directors proposes to the General Meeting to acknowledge and accept the information provided by the Board of Directors regarding the transactions involving the Company's own shares.

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On agenda item 12**Extension of the authorization of the Board of Directors to buy the Company's own shares, expiring on October 26, 2020.**

The Board of Directors hereby informs the General Meeting that the authorization of the Board of Directors to buy the Company's own shares – granted to the Board of Directors in the General Meeting's Resolution No. 12/2019 (IV.26.) – will expire on October 26, 2020. The Board of Directors requests the General Meeting to issue a new authorization for acquiring own shares, for a period of 18 (eighteen) months from this day. The acquisition of own shares is necessary to ensure that

- the Company can operate the share-based incentive schemes launched in 2018; or
- the Company can exercise and perform certain contractual rights and obligations (e.g. options); or
- the Company can protect the shareholders from the negative consequences of a large package of shares potentially entering the market, and that the Company can acquire a large package of shares; or
- the own shares can be used for the purpose of acquisition, as consideration; or
- the Company can use its own shares for the purpose of providing funding or security, or for developing other investment schemes.

For the above reasons, the Board of Directors proposes to the General Meeting to provide the opportunity for buying the shares issued by the Company by authorizing the Board of Directors to enter into such transactions according to the following conditions.

Proposal for resolution 12:

The Board of Directors proposes to the General Meeting to provide the Board of Directors with an authorization for a period of 18 (eighteen) months beginning on the day of the General Meeting, to adopt a resolution on the acquisition by the Company of the ownership of shares of all types and classes and of any face value, issued by the Company – supported by at least three quarters of the votes that can be cast by the members of the Board of Directors – and to enter into and perform such transactions for and on behalf of the Company, or to engage a third party for the conclusion of such transactions. The Board of Directors proposes that the number of shares that can be acquired based on the authorization should be equal to a number of shares with a total face value of no more than twenty-five per cent of the share capital, and the total face value of own shares owned by the Company may not exceed this rate at any time. The Company's own shares can be acquired for or without consideration, on the stock market and through public offering, or – unless the possibility is excluded by the law – in over-the-counter trading. In the event of acquiring own shares for consideration, the lowest amount of the consideration payable for a share should be HUF 1 (one forint), and the highest amount should be HUF 1,500 (one thousand five hundred forints).

Furthermore, the Board of Directors proposes to the General Meeting to extend the above authorization also to include share purchases by the Company's subsidiaries so as to enable the Company to authorize the management of any subsidiary of the Company by means of resolutions of the members or shareholders (resolutions adopted by the members' meeting or the general meeting) to acquire the shares issued by the Company according to a resolution adopted by the Board of Directors under the above authorization.

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On agenda item 13

Amendment of the Company's Articles of Association with regard to the election of the members of the Supervisory Board, the Audit Committee and the Board of Directors, the engagement of the auditor and legislative changes.

In the light of the resolutions adopted under agenda items 6., 7., 8. and 9., it has become necessary to amend Articles 13.8, 14.8 and 15 of the Company's Articles of Association and consolidate them in a single document, and also to ensure that they comply with the provisions of Act LXVII of 2019 on the Encouragement of Long-Term Shareholder Engagement and the Amendment of Certain Acts with a view to Legal Harmonization. In order to inform the shareholders, the Company publishes the draft Articles of Association concurrently with this proposal for a resolution.

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II. The aggregated share and voting right figures:

The Company hereby publishes the aggregated figures for its shares existing at the time of convening the General Meeting, as well as the related voting rights.

Share series	Face value (HUF/share)	Number of shares issued	Total face value (HUF)
Ordinary shares of series "A"	12.5	19,386,274	242,328,425
Amount of share capital			242,328,425

Number of votes per share:

Share series	Number of shares issued	Number of own shares without voting rights	Number of own shares with voting rights	Voting right per share	Total voting rights
Ordinary shares of series "A"	19,386,274	748.546	18,637,728	1	18,637,728
Total	19,386,274	748.546	18,637,728	1	18,637,728

Budapest, March 26, 2020

Yours sincerely,

the Board of Directors of ALTEO Nyrt.

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